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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, May 13, 1999

APPLICATION OF

QUANTREX COMMUNICATIONS, INC.

CASE NO. PUC990022

For a certificate of public
convenience and necessity
to provide local exchange
telecommunications services

FINAL ORDER

On February 4, 1999, Quantrex Communications, Inc. ("Quantrex" or "the Company") completed an application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. As part of its application, Quantrex requested a waiver of § B.5.a of the Commission's Rules for Local Exchange Telephone Competition adopted in Case No. PUC950018, 20 VAC 5-400-180 ("Local Rules"), requiring audited financial statements to be filed with the application.

By Order dated March 8, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Quantrex's application. On April 20, 1999, Staff filed its report finding that Quantrex's application was

in compliance with the Commission's Local Rules except that the financial statements provided by Quantrex were unaudited.

Based upon its review of Quantrex's application and the Company's requested waiver of Local Rule § B.5.a, requiring that audited financial statements be provided with the application, the Staff determined it would be appropriate to grant to the Company a local exchange certificate subject to two conditions: (1) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; and (2) the Company shall provide audited financial statements to the Staff no later than one (1) year from the effective date of its initial tariff.

A hearing was conducted on May 5, 1999. Quantrex filed proof of publication and proof of service as required by the scheduling order dated March 8, 1999. At the hearing, the proof of notice, application and accompanying attachments, and the Staff's report were entered into the record without objection.

Having considered the application and the Staff report, the Commission finds that Quantrex's application should be granted. We also find that we should grant the Company's request for a waiver of § B.5.a of the Local Rules, requiring that audited financial statements be provided with the application. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Quantrex Communications, Inc. hereby is granted a certificate of public convenience and necessity, No. T-444, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Quantrex shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) Quantrex shall provide to the Division of Economics and Finance audited financial statements no later than one (1) year from the effective date of its initial tariff.

(4) Should Quantrex collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(5) Since there is nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.